



Auditor of Public Accounts
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Edelen Releases Audit of Former Scott County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the sheriff's settlement - 2010 taxes for former Scott County Sheriff Bobby Hammons. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the former sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period April 16, 2010 through December 31, 2010, in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

- **The Former sheriff should have implemented control procedures to improve financial accountability over tax collections.** As a result of procedures conducted during the audit, it was determined that internal controls over tax collections and disbursements should have been implemented to improve financial accountability.
- The tax collectors (former sheriff, bookkeeper, and deputy) reconciled their collections per drawer with the tax collection report each day. They indicated their agreement with the tax collection report by initialing the section applicable in the report. Someone else should have recounted their tax collections in their presence and initialed the applicable section of the tax collections report.

- At the end of each day, the bookkeeper compared bank deposits (collections) and total collected per daily tax collection report for agreement. She initialed the tax report to document her work; however, someone else should have reviewed her work. This review should have been documented by initialing the applicable part of the report.
- The bookkeeper collected and distributed franchise taxes. No one else compared bank deposits to paid franchise tax bills, reviewed detailed franchise tax reports, or reviewed the amounts placed on the monthly tax reports to make sure the franchise tax distribution was correct. The former sheriff's bookkeeper could have continued to prepare the deposit slips for franchise tax collections; however, a different deputy should have compared paid franchise tax bills to bank deposits and prepared the detailed franchise tax reports. The bookkeeper should have reviewed these reports and initialed that this work was correct. The deputy should have reviewed the monthly tax reports to the districts, to make sure that the correct distribution was reported.
- The bookkeeper prepared the monthly tax reports to the taxing districts. These reports were reviewed by comparing checks written to the amounts listed on reports. The amounts listed on the monthly reports should have been compared to supporting documentation such as franchise collection reports, refund reports, and tax collection reports. These reports should also be reviewed for mathematical accuracy.
- The former sheriff should have assigned someone other than the bookkeeper to complete a "determination of fund balance" for the tax account at the end of each month. The bookkeeper should have reviewed the deputy's work and signed off when it was complete and accurate.

Former Sheriff's Response: No Response.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

This report, in its entirety, can be accessed at the following Internet site: [here](#).

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